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IN THE

Supreme Court of the United States

OCTOBER TERM, 1970

No. 413

AJEM LABORATORIES, INC. and
CENTRI-SPRAY CORPORATION,
Petitioners,

versus

C. M. LADD CO., INC. and CHARLES M. LADD,
Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

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Petitioners, Ajem Laboratories, Inc., and Centri-Spray Corporation, pray that a Writ of Certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Sixth Circuit which was entered in the above-entitled case on April 29, 1970.

Opinions Below

The opinion below of the Court of Appeals for the Sixth Circuit is not yet reported in the official reporter but is reported at 165 U.S.P.Q. 737, and appears as Appendix A to this Petition. A petition for rehearing was denied on June 8, 1970, and appears as Appendix B to this Petition. The opinion below of the District Court for the Eastern

District of Michigan is reported at 301 F. Supp. 1390 and appears as Appendix C to this Petition.

Jurisdiction

The judgment of the Court of Appeals was entered on April 29, 1970. A Petition for Rehearing was filed on May 13, 1970 and was subsequently denied on June 8, 1970. On June 18, 1970, a stay of the issuance of the mandate in this case for thirty (30) days until July 18, 1970, was granted by the Court of Appeals for the Sixth Circuit. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1254(1).

Questions Presented

1. In order for an "invention" covered by a claim of a United States patent to be invalid, under Section 102(b), of Title 35 United States Code, as being "on sale" more than one year before the application for the patent was filed, is it necessary as a condition precedent that the invention first be made by being "reduced to practice" before the one-year limitation of Section 102(b) begins to run?

2. Is each claim in a United States patent for a separate and distinct invention or is there but a single invention in each patent?

3. If the particular combination invention of one claim of a patent is *not* fully conceived, *not* reduced to practice and a machine, embodying it, is *not* sold more than one year before the application for the patent was filed, is that claim invalid merely because the combination of another claim of the same patent was made, was reduced to practice and a machine, embodying the invention of other claims, was sold more than one year before the application for the patent was filed?

4. Under the doctrine of this Court as set out in *Mancie Gear Works et al v. Outboard, Marine and Mfg. Co.*, 315 U.S. 759, 62 S. Ct. 865 (1942) is it sufficient for a valid patent

to disclose all the elements of a combination of a later filed claim in the specification and drawings of a patent application filed less than one year before the sale of a machine embodying the combination?

Statute Involved

United States Code. Title 35

"§ 102. Conditions for patentability; novelty and loss of right to patent . . .

A person shall be entitled to a patent unless—

* * *

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or. . ."

Statement of the Case

Petitioners, Ajem Laboratories, Inc., and Centri-Spray Corporation (hereinafter sometimes called "Ajem et al.") sued Respondents, C. M. Ladd Co. Inc., and Charles M. Ladd (hereinafter sometimes called "Ladd et al.") for infringement of United States Patent No. 2,979,062, issued April 11, 1961, entitled "Power Washing Apparatus" (hereinafter sometimes called "the patent-in-suit"). Suit was filed in the United States District Court for the Eastern District of Michigan pursuant to Title 35 U.S. Code and Title 28 U.S. Code § 1400.

The District Court granted Respondents' motion for a separate trial limited solely to the question of whether or not the patent-in-suit was invalid under 35 U.S.C. § 102(b) for being "on sale" more than one year before the application for the patent was filed in the United States Patent Office. The District Court found the patent invalid and the Court of Appeals For The Sixth Circuit affirmed.

The District Court held *all* sixteen claims of the patent-in-suit invalid on the finding that a machine, sold more than one year before the application was filed, "embodied the invention." The Court did not find the sixteen combinations of the sixteen claims were embodied in that machine, but, instead only found that the machine embodied the general "invention" of the patent.

The District Court further found that Claims 4 and 16, the only claims Ladd et al. were accused of infringing, include a broader description of one element than originally appeared in some of the claims as filed. These two claims with this broader description were not presented to the Patent Office until more than a year after machines embodying it were sold. However, the patent application which had a full disclosure of all the elements, particularly those of Claim 16, was filed *less* than one year before the construction or sale of a machine containing all the elements of Claim 16.

The District Court found Claim 16 invalid because that claim as a whole had not been presented to the Patent Office within the one-year grace period of 35 U.S.C. § 102(b), although all the elements were fully disclosed in the drawings and specification of the timely filed application.

The Court of Appeals affirmed the District Court's decision.

Reasons for Granting the Writ

This Petition seeks review of the decisions below because the questions presented

(1) relate to important questions of federal law and statutory interpretation which have not been decided by this Court, and

(2) the lower courts below have erroneously interpreted and failed to follow prior decisions of this Court and the opinions of the lower courts are in conflict with those of other courts of appeal.

QUESTION 1.

Section 102(b) states that a patent is invalid if an invention was on sale more than one year before its patent application was filed. This statute does not define what is "invention". Therefore, it is necessary that some definition be provided. If the normal definition of "invention" is accepted, it is necessary that there be a "reduction to practice" of the invention before it can be said to be made so as to come into being and only at that time become capable of being "on sale".

Every invention has two components. First, there is the mental act of conception whereby the idea of what is to be done is achieved. Second, there is the physical side of the invention which requires an actual manufacture of a working machine embodying the invention to be made, so that the invention may now be said to be completed. This is said to be a "reduction to practice". See *Corona Cord Tire Co.* v. *Dovan Chemical Corporation*, 276 U.S. 358, 48 S. Ct. 380 (1928).

Therefore, in order for an invention to be on sale it must first exist in a physical embodiment which has been reduced to practice by being tested to a sufficient extent that it may be definitely said to work.

Until now no court of appeals has answered the question as to whether or not reduction to practice is first necessary in order to have an invention on sale under 35 U.S.C. § 102(b). The District Court below said reduction to practice was not necessary before an invention was capable of being on sale. The Court of Appeals below avoided the question, but it did assume "without deciding that reduction to practice of the invention is an essential of the proofs required for an 'on sale' holding under Section 102(b)." However, after making this assumption, it then failed to note that the combination of Claim 16 was not even fully conceived, as well as not being reduced to practice, less

than one year before the application for the patent-in-suit was filed.

Additionally, the Court of Appeals below quoted the proper law on reduction to practice (Appendix A-6 and A-7), but failed to realize that the District Court below did not make a sufficient finding of fact to support its conclusion of law number 8 (Appendix C-10). The District Court found reduction to practice by a shop test "which satisfied both the plaintiff and its customer" but did *not* find that the shop test was "sufficient to indicate its utility in the environment in which it is contemplated to be useful." The evidence, mainly documentary, is overwhelming that the device could not have been operated to demonstrate "its practical utility in its intended field of use"; and the Respondents have not met their burden of proof "beyond a reasonable doubt" on this issue.

Inasmuch as Section 102(b) was enacted almost two decades ago in 1952 and this question remains unanswered as to when an invention may be said to exist so that the one-year grace period begins, it is suggested that it should now be resolved.

This question is particularly ripe for immediate resolution. The question having appeared in a reported opinion has already evoked considerable interest. Since it covers a constantly reoccurring problem, it will be attractive to those faced with such an "on sale" situation. Thus, this question is not only an important one of first impression and significance in administering the patent statute, but should be resolved promptly with appropriate guidelines in order to avoid numerous cases which might otherwise be filed or appealed in the absence of a clear decision from this Court.

QUESTION 2.

This Court in *Leeds & Catlin Company* v. *Victor Talking Machine Company*, 213 U.S. 301, 29 S. Ct. 495 (1909) stated

that each claim is for an independent invention and a "patent does not stand or fall as a unity".

Some lower courts have followed this prior decision of this Court. See *Southwest Industrial Products, Inc.*, v. *Ezee Stone Cutter Manufacturing Co. et al.*, 262 F.2d 183, 188 (8 Cir. 1958) affirming 157 F. Supp. 208, 215 (W.D. Ark. 1957); *Hall* v. *Keller et al*, 180 F.2d 753, 756 (5 Cir. 1905); also *Hunt et al* v. *Armour & Co.*, 185 F.2d 722, 729 (7 Cir. 1950).

The courts below did not. They merely held "the invention" had been on sale more than a year before the patent application was filed, and therefore the patent as a unity was invalid.

If the prior decisions in this case are allowed to stand there can only be confusion in future cases as to how to proceed.

It is believed essential that this Court reaffirm its early decision in *Leeds & Catlin, supra,* and give all the lower courts guidelines for deciding similar cases hereafter.

QUESTION 3.

If each claim is for a separate invention then some claims may be valid and some invalid for being "on sale"—depending on whether or not the particular combination of each claim was embodied in a machine which was in being and therefore capable of being on sale more than one year before the patent application was filed. In other words, if an improvement is made within the one-year grace period of Section 102(b), claims to that improvement may be valid, although other claims in the same patent may be invalid as being for inventions which were on sale more than one year before the application for the patent was filed.

In the present case the patent application with which we are concerned was filed in the Patent Office on November 9, 1954. Claim 16 of the patent-in-suit has a material and

critical element in it which was not even fully conceived until about November 14, 1953—and not built or reduced to practice until well after that.

The patent-in-suit is concerned with machines for automated washing, rinsing and drying of large parts or assemblies such as engine blocks or heads for automotive engines. In the machine shown in the patent drawings, parts are automatically moved along a horizontal path by a transfer device which runs into and intersects a rotated turret mechanism (similar to a ferris wheel at a fair or amusement park). The movement of the turret mechanism must be carefully controlled to move in relationship with the horizontal transfer device. The best means for moving the turret is called a "shot-pin" device. It was not even fully conceived and definitely not reduced to practice nor sold more than one year before the patent-in-suit was filed. This is the device covered by Claim 16.

QUESTION 4.

The Court of Appeals below has erroneously concluded that if the *original* claims, filed in the application for the patent-in-suit, were broad enough to include the improvement of *patent* Claim 16 as well as a machine sold more than one year before the application "then the patent is barred because the device was 'on sale' for more than one year prior to that date [the date of the application] . . .".

Of course, this is erroneous law. The practice before the Patent Office has been to amend and rewrite claims originally filed. Since amendments and rewriting are permitted, the only claims to be considered are those which appear in the issued patent. On this question of amending and adding claims we invite the Court's attention to the opinion of the late Judge Learned Hand in *Engineering Development Laboratories* v. *Radio Corporation of America*, 153 F.2d 523 (2 Cir. 1946). As stated by Judge Hand the combining of parts of originally-filed claims is

perfectly correct—and that is what happened in the present case since the "shot-pin" was disclosed and claimed in originally-filed application Claims 11 and 12.

Although the "shot-pin" was clearly disclosed in the specification and drawings, as well as claimed; the Court of Appeals erroneously and for some unexplained reason concluded it was not originally disclosed. One explanation for this error may be that Claim 16 was not presented in its final form until several years after the application was filed. In so doing the Court of Appeals clearly did not follow the mandate of this Court in *Muncie Gear, supra,* which requires only a timely disclosure within the one-year grace period, and not a specific claim within that time.

Conclusion

It is respectfully suggested that this Court should grant certiorari to resolve uncertainty as to questions of statutory interpretation as well as to correct the erroneous interpretation and application of decisions of this Court by the courts below.

Respectfully submitted,

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